

(A-9)

WILLIAM CHAPMAN RALSTON
COURAGEOUS BUILDER



BY
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*To ✓
Robert A. Tilton
With friendly regards
Cecil G. Tilton
October 8, 1937*

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IN RALSTON

their active careers. Henry Ford, Eastman, and John D. Rockefeller, Jr., approach it. Charity and religious recreation sanctify old age, mitigate and even erase tinctured honesty's stains. Altruism comes late for the majority. As Taussig states, captains of industry are "admired; feared, and followed."

It is evident in the undertakings which engulf Ralston's life that only three of this array stand out clearly for business policy of duration. He was creative, he could manipulate the wheel of his ship. He was not interested in profits as profits. Ralston, then, was one who could plan; he could carry that plan out and he could share. In his business transactions two of these were to dominate; of these two, one was to tower high. Why would one prove so disappointing?

The doors of the Bank of California were opened on the 5th of July, 1864, on the corner of Battery and Washington in the same quarters that had housed the banking business of Donohoe, Ralston & Company.⁸ Singular, indeed, was its capital with \$2,000,000.00 of gold lying in its vaults. Singular, indeed, was the course by which it rose to a commanding position by reputation in trade, industry and finance. Ralston launched an institution that was destined to form the highest part of constructive expansion. From here would be the ample source of credit for the economic development of the state. From here would come the aid that capitalists needed to further their conquering of the West. From here would emanate the vision that developed into practical trade lines which tapped in particular the ports and cities of Russian, English and Oriental shores.

The advertisements of the bank appeared daily in the *Alta* and *Bulletin* from 1864 to 1875, in the style and form given below, with the exceptions of changes in the Nevada agencies, the capital stock and officers.

THE BANK OF CALIFORNIA
San Francisco

Capital	\$5,000,000.00
D. O. Mills	President
W. C. Ralston	Cashier

Ralston's personal friend in New York was James Lees, who had aided him while a clerk in Panama when he had come to New York on business for Garrison. James Lees in company with David Heran formed the firm of "Heran, Lees & Company, Commercial Merchants, 54 Broad Street" in 1844. In 1848, Heran withdrew and James Hewitt took his place in the partnership. Hewitt, Lees & Company of 9 South William Street in 1853, became Lees & Waller by the entrance of Edward Waller as a partner. This the firm remained until 1866, when the latter retired and Henry B. Laidlaw, the junior partner, who had entered the banking house in 1854, assumed his responsibilities. The firm was still Lees & Waller, Bankers, 33 Pine Street. Ralston was to lose this valuable friend, James Lees, who died in July of 1873, in the middle of incoming Comstock millions. In that same year Lees & Waller became Laidlaw & Company, managed by Henry B. and Charles E. Laidlaw, and the firm name remains today. The services of the firm to Ralston's bank were far reaching.

From the course of events it is evident that Ralston's will was dominant and that Kelly's plans for the international institution in New York did not materialize. Ralston is reported to have answered Kelly's position with the manifesto, "We have made our money in California, let us continue our business here: and if concentration be deemed advisable, let us discontinue our eastern connections and build up on this coast the enterprise that has been suggested."

So it was on June 30, 1864, that the firm of Donohoe, Ralston & Company came to an end by the withdrawal of Eugene Kelly and Joseph H. Donohoe, who formed immediately Donohoe, Kelly & Company, whose banking career was to continue for many years. In order to wind up the affairs of the portion of the firm which Ralston and Fretz represented and to hold over that business until the bank was opened, the original Fretz & Ralston firm name was reused and it appeared in that manner⁴ until July 5th, 1864.

Ralston with his friends had secured their first certificate of incorporation⁵ on June 15, 1864 "and the filing is attested by the County Clerk, William Loewy, in person, who marked out his printed name and affixed his signature sealed and sworn to by Alfred Barstow, Notary Public. They went be-

fore the Notary times, as is shown by broad red seals and signers are small

"These are the signed: D. O. M. Lawton, O. F. G. Norris, Herman Pope, Richard M. Thomas Bell, H. Louis McLane, S. ding and William

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fore the Notary in eight different parties, and at as many times, as is shown by eight separate notarial certificates with broad red seals attached to the documents. The seals of the signers are small scarlet circles of paper with sawed edges.

"These are the corporators in the same order as they signed: D. O. Mills, W. C. Ralston, J. B. Thomas, A. T. Lawton, O. F. Griffin, John O. Earl, J. Whitney, Jr., Wm. Norris, Herman Nichols, A. B. McCreery, Moses Ellis, A. J. Pope, Richard M. Jessup, R. S. Fretz, Wm. E. Barron, Thomas Bell, H. F. Teschemacher, George H. Howard, Louis McLane, Samuel Knight, A. C. Henry, J. C. Wilmerding and William Alvord.

"The signatures of Mills and Ralston are quite heavy, were evidently signed with the same pen, and might have been written by the same person." "Each of the men represented an important calling for the day. Each brought with him a clientele and line of trade. Some were importing, shipping, dry goods, grocery and wholesale commission merchants. The drafts, bills of exchange and commercial paper of their commerce would augment the exchange business. Others of these men had mining interests, some were connected with express companies, steamship corporations and insurance companies. Others represented brokerage houses trading in stocks or in real estate, either land or building construction. The Trustees, however, were Darius Ogden Mills, William C. Ralston, J. B. Thomas, Louis McLane, O. T. Griffin, John O. Earl, Thomas Bell, Herman Michels, A. J. Pope, William Norris, and James Whitney, Jr.

The certificate of incorporation had six sections, the second of which stated the right to transact banking:

"Second, that the objects for which the company is formed are to engage in and carry on the business of banking to such extent and in all such branches as may legally be done under the constitution and laws of the State of California."

The certificate was sworn to on the 12th of May, 1864 by Mills, Ralston, Thomas, Asa T. Lawton, whose name was erased and Louis McLane's interlined before execution, Griffin and Earl. The other incorporators signed at odd

intervals, the last on June 14th. Fretz had signed on the 28th of May.

The officers consisted of D. O. Mills as President, W. C. Ralston as Cashier, and Stephen H. Franklin "was Secretary of the Bank from its incorporation, a man who must have been older than his associates.

"He dressed in the old style with a flaring collar and black silk stock and always wore a black silk hat and carried an ivory-headed cane on the street.

"Mr. Franklin was of the 'old school,' courtly, kind and dignified. His writing was like copper plate and there is still in existence the No. 1 minute book of the Bank, all in his beautiful script, page after page without a blot or blemish."

Darius Ogden Mills had grown to be Sacramento's leading banker in the early 'sixties.' The Gold Bank of D. O. Mills & Company was the result of his taking in his two brothers Edgar and James and Henry Miller, the cashier. Prior to that he had been in partnership with his cousin on his mother's side in the bank of D. O. Mills & Company that had been established in 1850. Mills had in 1860 bought out his cousin's share and had been alone for the two years interim.

Mills was one year younger than Ralston. He was born at North Salem, Westchester County, New York on September 5, 1825, the son of James Mills and Hannah Ogden. In 1841, his father died, leaving him and his two brothers to make their way and support their mother. The hotel and boat business which their father had conducted was futile. Having gone through the North Salem and Mount Pleasant Academies, he was not too badly in need of an education and was able to grasp opportunities as they came. After having tried a clerk's life in New York City for a few years, he was glad to receive a call from his mother's cousin to come to Buffalo. Townsend at that time—1847—was part owner of the Merchants Bank of Erie County. Offered the assistant cashiership at the age of twenty-two, and in addition one-third of the business, he took it and it was here that he secured his first insight into banking. Buffalo was at that time a fast growing city of the West. (Some patriots are yet of the opinion that Buffalo is really quite *West*.) By 1850, its

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tween Battery and Montgomery, a district in which lots sold at \$3,000.00 a front foot. The total real and personal property for the city in 1864, bore an assessed valuation of \$84,129,000.00, \$45,000,000.00 of which was real estate valuation.¹² This represented an increase of \$6,759,000.00 over the previous year. Moreover, the expense of assessment for 1864 was \$14,000, a thousand dollars less costly than the average for the years 1853 to 1865. At the end of 1864, the population had increased for that year by some nine and a half thousands; slightly over one thousand new homes and lodging houses were erected to accommodate them.

In addition to the enormous wealth created by the quartz and placer gold yields of California pouring into San Francisco, there was the supposed never-ending stream of the precious metals coming from Nevada. Discovered in 1859, the mines located on Sun Peak and its slopes were producing silver and gold by erratic increments of from a paltry \$30,000.00 to 16 millions in 1864. Ralston had been interested in the new region, in 1860, as a banker, for on April 28th of that year the Ophir Gold & Silver Mining Company was incorporated and he was elected its treasurer. The Gould & Curry came into being on June 27, 1860, and the Savage on October 15, 1862, in both of which he was the treasurer also. From Nevada, then, came a promise of continuing funds to serve as a base for extended industrial development. Subsequent to the incorporation of the Bank of California he was to be identified with Nevada "as an active participant in the control and management of many Comstock mines, in active association with William Sharon and D. O. Mills." But if Ralston was to be the dominant member of all the operators in the new section of wealth, he must show his reason and force of character.

Andrew Jackson Ralston arrived in San Francisco in May, 1862, and resided with William and his family at their dwelling at No. 324 Fremont Street, near Harrison for his first four years of western life.¹³ He had married Sarah E. Buchanan, the daughter of the Rev. George Buchanan, on June 16, 1851, at Steubenville, Ohio. He had come there because the business with his brother, James Alpheus, was uneventful and barren in profits. This first happiness in Andrew's life was tragically short; his wife died on March 24,

of \$682,000.00. This latter camp was 120 miles away from the Comstock. These mills, like all machinery, were subject to "the irresistible march to the junk heap." By far the majority of them were custom mills. To keep them running was the problem.

The mills were not necessarily operated by or in conjunction with the mining companies.¹⁷ They depended upon ore from the mines and if neglected for want of production by the mines, they became profitless and deep liabilities. One of the most unfortunate economic conditions which persisted in Comstock history was the surplus in mill capacity. Too many were alive only when fed by an available ore supply. Ralston, through Sharon, and indeed the latter alone, Jones, the Bonanza group and many others capitalized on the mills' highly competitive market. Fatally enough, many of the mills which did receive ore suffered by intermittent shipments almost as badly, so that their management contracted usually with the mining companies for specified tonnage according to the number of stamps. When good mines promised heavy production, mill owners enlarged their plants and contracted for "all you can produce." Mistaking temporary tonnage for permanent or prolonged mineage caused over-extensions which by themselves ate into the mills' returns. This sure way of piling up cost not readily, if ever, written off, is a venerable economic disease. The Ophir and the Gould and Curry, incorporated within two months of each other in the spring of 1860, constructed mills so costly that they did not save over sixty per cent of the values in the ore. Extravagance brought on almost immediate failure.

The mill of the Gould and Curry, of which Ralston was the first treasurer, was located two miles below Virginia on a 60 acre inclosed flat.¹⁸ The central building, the largest in the Territory, was 250 feet long with 75 foot side wings which gave the whole plant the resemblance of a cross. Compartments within took care of specialized steps of the ore process. The amalgamating section was two stories high, 87½ by 50 feet. The central compartment housed 8 batteries of 5 stamps, each of which would turn out 40 tons of crushed ore a day. The 150 horsepower engine of the San Francisco type from the Pacific Foundry was housed in a division 125 feet long and 50 feet wide. The mill contained

6 furnaces and 3 boilers which were 26 feet in length and 3 feet in diameter, within which were 14-inch flues. In addition there was a large ore house and drying compartment, the dimensions of which were 100 by 80 feet. It used the Veatch Process, a variation of the Freiberg Process, which consisted of a series of stages from dry crushing, chloridizing, roasting to amalgamating in revolving barrels or tubs. Later, the Washoe Process was installed. Moreover, in this mill, 60 men worked day and night by relays.

Other mills were much smaller but they all had the common denominator, costly depreciation. When mills stood idle for any length of time, deterioration and cost readily upset the profit figure.

The mines of the Comstock rose slowly in production and value up to the great year of 1863 when the output was \$12,400,000.00. The "Boom of 1863," epitomized the silver madness which grasped the whole West. This silver craze fevered the mine owners and attendant speculators with delusions as wild as those fostered by the prosperity government of 1928, 1929, three-quarters of a century later—silenced on by a Vermont sphynx and renegades. One writer, though always generous in his estimates, states that by 1865, over \$37,500,000.00 had been produced up to and including that year.¹⁹ From 1859 to 1866: in the Virginia district 2,296 claims had been located, 710 of which, the largest number for any one year of the five, were made in 1860; in the Gold Hill district 2,376 claims were staked, the largest number being 741 in 1862. The two miles lying between Ophir's northern boundary and the Belcher's southern edge had given and were predetermined to yield the largest portion of gold and silver for the Lode. In the first two years of the 'sixties, the Ophir and the Old Mexican were sending out thousands of tons of very high grade ore. During the years 1863 and 1864, when Ralston was creating the plan for the Bank of California, the Gould and Curry was yielding heavy prizes. This was the mine a portion of which Alva Gould had sold in triumph for \$450.00 and "was not laughed at as he rode down Gold Cañon at night shouting with drunken self-complacency, 'Oh! I've fooled the Californian!'"²⁰ By 1866, Gould and Curry's production of 174,372 tons valued at \$12,178,207.00 had disbursed dividends of \$3,526,800.00.

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It was indeed the most spectacular of them all to the public.

Specifically, what had the tonnage of these important mines
been in those years? During 1859, the Ophir had taken out
and sent away 38 tons that assayed nearly \$3,000.00 each, a
coveted prize to fan the hopes of many other mining and
millmen. The same mine in 1860 dug out 100 tons that
averaged \$1500.00 and 200 tons that averaged \$500.00.
The production for the ensuing two years totalled 6,000 tons
but had a lower yield of \$280.00 per ton. The next year,
1863, the ore produced was valued at \$1,514,222.00, which
meant an average figure of \$100.00 to the ton. And then,
as is the case with *bonanzas*, the ore petered out, for the mine
ran to lower grade ore. In fact, of the next 45,000 tons but
\$42.00 average yield was netted to the owners.

The Old Mexican mine had some very good ore, but not
as fine as the Ophir. The former is estimated to have spent
itself after 15,000 tons had been taken out. This quantity
had an average yield of \$100.00 to the ton. The compli-
cated ores of the Old Mexican, like those of the Ophir, pre-
dominated in silver.

In 1862 and 1863, the Gould and Curry was in promi-
nence. Between 1862 and 1864, a prize shipment of 50½
tons treated at Swansea, Wales, brought an average of \$2,-
016.00 to the ton. From its second class ore \$126.00 per
ton was recovered on 4,812 tons; its value would have been
an even \$400.00 per ton had not \$84.00 per ton been lost in
the tailings. This mine soon began to yield the lower grade
ore, for in 1864, the 12,600 tons that were produced netted
\$141.77 per ton. No good ore in commercial quantity was
extracted from Gould and Curry after 1864. Taking the
three years of active production in which the high and low
grade ore values must be combined, one can ascertain an aver-
age of \$80.00 for the tonnage recovery. In all these mines
mentioned, all these tonnages came from a depth of not more
than 500 feet from the surface.

None of the other mines of the Lode during the early
years rivaled these treasure caskets as in the Gould and
Curry. Fine ores came from the Belcher, the Little Gold
Hill Mines, the Kentuck, the Crown Point, and the Savage.
When the production figures of all of these other mines are

under tabulation, the average recovery value approximated \$50.00 per ton.

Construction inside the mines was complicated, bewildering to the novice.

In 1865, Schuyler Colfax, once Speaker of the House and then Vice-President of the United States, led westward his famous party while the railroads were yet under construction. Governor William Bross of Illinois was the other celebrity. Samuel Bowles of the *Springfield Republican* and Albert D. Richardson of the *New York Tribune*, men of renown in the newspaper world, were included in the group. Their impressions of Austin, Nevada, next in size to Virginia, were favorable but they were glad to get to the region of the Comstock Lode. Samuel Bowles later gave his Eastern friends his vivid impressions and feelings:²¹

"The great Gould and Curry mine at Virginia has four or five miles' length of shafts and tunnels, and it is a full day's work to explore it thoroughly. We entered it through a long tunnel, that strikes the vein several hundred feet below the surface. There were half a dozen of us in the procession, each with a lighted candle, which would go out under the outgoing draft, and so we soon contented ourselves with groping along in the dim, cavernous light. It seemed a very long journey, and the nerves had to brace themselves. The most stolid person, stranger to such experience, will hardly fail to find his heart beating a little quicker, as he goes into these far-away, narrow recesses in the bowels of the earth. I never failed to remember the principle that 'Nature abhors a vacuum,' and to wonder if she wouldn't take the present occasion to close up this little one that I was in! At last we reached the scenes of the ore and the work after it; and among these we clambered and wandered about, down shafts to this or that level, and then out on side tunnels through the vein in both directions; up again by narrow, pokerish ladders to a higher set of chambers, in and out, up and down, till we were lost in amazing confusion. Here was, indeed, a city of streets and population far under the surface of the earth. Many of the chambers or streets were deserted; in others we found little coteries of miners, picking away at the hard rock, and loading up cars of the ore, that were sent out by the tunnels or up by the shafts to the surface above. Here, too,

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was a building in a wide hall under ground, and a steam engine to help on the work. Some of the chambers had closed in after being worked out of ore; others have been filled up to prevent caving in and causing great disaster overhead; but many of the open passages were stayed or braced open still with huge frame-work of timber. The annual cost of lumber for such purposes in all the mines of the Comstock Lode is about a million and a half of dollars. In many of these passages, such is the outward pressure into the vacuum, that these timbers, as big as a man's body, are bent and splintered almost in two. Great pine sticks, eighteen inches square, were thus bent like a bow, or yawned with gaping splinters; and the spaces left in some places for us to go through were in this way reduced so small that we almost had to crawl to get along. Do you wonder that we began to grow weary, and thought we had seen enough? Besides, the mine was oppressively hot and close; the mercury was up to one hundred degrees and more, and the sweat poured from us like water. One of our party grew faint and feeble, and we voted to take the nearest way out. This happened to be the most perilous and trying; but we did not realize that, and our miner guide, unsensitive from experience, did not think of it. So he took us into a long shaft, running straight up and down for several hundreds of feet, damp and dark as night, with no breaks or landing-places, and there started us, one after another, up a perpendicular ladder fastened to its side. We only took in a sense of the thing after we had got started; each must carry his lighted candle, hold on, and creep ahead; a single misstep by any one, the fainting of our invalid, or of any of us, all weary and unstrung, would not only have plunged that one headlong down the long fatal flight, to become a very Mantilinean cold body at the bottom, but would have swept everybody below him on the ladder, like a row of bricks, to the same destination and destruction. There was, you may well believe, a stern summoning of all remaining strength and nerves, a close, firm grip on the rounds of the ladder, a silent, grave procession, much and rapid thought, and a very long breath, and a very fervent if voiceless prayer, when we got to the daylight and the top. Our part of the shaft and the ladder was about one hundred and fifty feet; it seemed very long; and we were content to call our day's

work done when it was over. . . . But if I prolong this story any further, you will almost wish I had never got out of that shaft!"

One of the major evils in the whole era of Comstock mining, particularly after the first four years, was underground water. On January 18, 1863, the Ophir had a flood that kept up for five prolonged months to the despair of the miners, not only of that mine, but also of the Mexican. "Fifty hours after its outburst the water had formed a subterranean lake in the mine twenty-one feet deep by thirty in width and one hundred feet in length." "This flood was over-topped by another on Christmas Day, 1864. During 1864, many others flooded too: Best and Belcher, the Crown Point, the Overman, Yellow Jacket, Belcher, Uncle Sam, and the Justice. The depth of the mines at this time was a little over 300 feet.

As the ore bodies were followed farther and farther, deeper shafts were required and more tunneling, cross-cutting, drifting, and excavating had to be done. One of the outstanding characteristics of the geologic formation of the Comstock is the size of the ore bodies coupled with their distance factor. Miners after a lucky strike would often hit poor ore and country rock which thwarted and confused them as to which direction to put a raise or winze or excavation. Great stopes frequently barren on one side and rich on the other necessitated all the timbering. Because the ore bodies were few and far between, their discovery was more than once *pure luck*. This was the truth about the great Bonanza itself, rather than Fair's self-addressed story. To handle the relentless weight of the earth and the swelling clays, the timbering of the mines was the first real problem met by men on the Comstock. Although it puzzled many, solution came early. Philip Deidesheimer's unpatented device of square set timbering, really remarkable, invented in November, 1860, answered the danger and would have taken care of the worst evils had it been used skillfully by all. This fight against nature is an epic in itself. The depth of the mines increased by the middle 'seventies eight fold over the first years of work: 1000 feet, 2000 feet, finally, though much later, 3000. When one went below, he dropped from sight as planets fall—the sensation to the visitor was faster.

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Samuel Bowles and his party should have been with "Old Hayseed" when he went below to see all the new wonders.

"... The boys lugged him into every drift, winze, and crosscut in the mine, and was pretty well worn out when he got out. Dan DeQuille met him soon after, and got the whole story . . .

"Yes," said the old man, 'I went in, and went clear to the bottom. When I went down thar to the Consolidated Virginia works, I made up my mind I'd see it all—that I'd go as far into the bowels of the yearth as it was possible to git 'thout diggin' any new holes. I'd never bin in a mine afore, and might never go agin', so I told 'em I'd just take in the whole show. When that thing at the top of the shaft, what they call the "cage?" give its fust little jog down, I just thought the bottom had dropped out't the whole country for miles around.

"Steam and hot air was pouring up like we was hangin' over a big pot of boilin' water. The guide to the lower country grinned at me, and said: *Hold fast!*

"I was holdin' fast, but I held faster. Down, down, down we went, seein' nothin' but the flashes of light, and flashes of dark, and hearin' nothin' but the buzzes of silence, as we passed by the winders cut in the sides of the upright hole we were fallin' through.

"I ain't easy skeered, but I thought we might be goin' down some faster than the business we were on required, so, sez I: Hez the trace chains broke, the belly-bands busted, or the breechin' giv way?

"It's all hunkey, sez the man, an' we then went on about a mile further before thar was any conversation of interest.

"It begun to seem to me like we was gittin' past all the good stoppin'-places. Even if that air rope we was a spinnin' out behind us, as a spider spins his line out at his tail, was all *hunkey*, as the feller called it, I was afeered there was no end to it, and we might go right on through to Chiney.

"I begun to try if I could think of any prayer among them of my airly days that would kiver the case, when the thing we was a-ridin' on stopped with a bump, that snapped my teeth together, and made me feel up in search of the top of my head.

"We'd struck bottom at last. How many miles down it

was I don't know, but I guess about fourteen—mind, I'm only givin' you my impression, gentlemen, I tuck no measurement down thar below.

"At first a great blaze of light blinded my eyes, and I felt like an owl out of his hole in the middle of the day.

"Come along, sez my guide, and we went into a big country tavern-looking place that they said was the station. It looked a good deal like the inside of some of them stations they us't'r hev up in the Sierrys on the Henness Pass road. Thar was boxes o' taller candles settin' about, rope, boxes o' sope, barrels o' whisky, gin, merlasses, vinegar, and other sich stuff, I reckon, but I seed no regular bar.

"There was lots o' fellers thar that seemed to belong close about, but nobody said, *Take a drink!*

"We soon left them onsociable cusses, and went out into the open country. All lighted up it was, for mor'n a mile round with candles, lanterns, an' bonfires. It was admirin' of it, I heered several cannons go off, one after another, somewhere up the valley, and I sez to a crowd of men we met: *Who's elected?*

"What? sez he.

"Is the percession movin' this way? sez I.

"Percession? sez he, looking puzzled.

"Is it under way yit? sez I.

"What under way? sez he.

"Then I drapped on it that he was one of the defeated party, and was takin' no stock in the jollification; so we went on up the valley.

"Men was at work in the fields all about, and trains o' cars were runnin' in all directions. The country seemed to be very thickly settled.

"It was summer down thare, and the weather was devilish hot. The doors all stood open, and the folks had nearly all ther clothes off—the men, I mean; the women and children I didn't se—all kept inside, I guess.

"We went on up country 'bout four miles, keepin' the main road most of the time. We stopped at several stations. Everybody was a-drinking ice-water—blamedst people for ice-water I ever seed. Plenty barrels and kegs around, too, but nobody ever offered to treat, but all swallowed ice-water for dear life.

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"While I was watchin' these proceedin's I heerd more
cannons go off. Sez I to one of the fellers that had some
clothes on half way between his head and feet; *Temperance
celebration, sir?*

"*All cold-water men down here, sez the feller, grinnin'.*

"*I see; at first I thought it was on account of your 'lec-
tion, sez I.*

"I see he was a man inclined to be friendly, and I asked
him how his ore crop was this season.

"He grinned, and sed: *Above the average.*

"*Where is it raised; anywhere in the neighborhood?*
sez I.

"*No; it's all raised out that way, and he pointed down
the valley.*

"Next we got on another of them kind of railroads that
stands on end, and went to a settlement about three miles
below. The weather was hotter than it had been up in the
valley. I sez to the guide: *I think we'll have a shower.*

"*Not now, sez he; we'll give you a shower when we go
above. Allers git a shower when you go out.*

"What he meant I don't know, for I saw no rain that
day, though at times there was a good deal of thunder over-
head.

"The last place we went to was the Geysers. All was
bilin' hot in that section. Thar was nothin' thar but hot
rocks and bilin' water, and steam and yearthquakes; so we
didn't stay long. We seed only half a dozen or so of naked,
half-starved settlers that was camped on a small island by a
big bilin' spring, which they was trying to pump dry.

"Thar may be finer sections of country down thar than I
seed, for as I got thar in the night I didn't go far out in the
settlements; but for hot weather it beats Aryzona all holler.
I wouldn't live thar if they give me a thousand acres of the
best silver-bearin' land they've got. That is, I want nothin'
to do with silver farmin', and wouldn't stop in sich a place
to dig the crap if it was alreedy raised ripe, and ready for the
hoe." 23

It was on September 6, 1864, that the Bank of California,
under Ralston's direction authorized the definite extension of
its services in Virginia by the establishment of an agency.
With the growth of the Comstock, not only because of the

mines, but also because of the miners' need, there had developed a few banking houses.

Wells, Fargo & Company's Express Office, the first bullion house or institution to handle the bars of silver and gold, was established there in 1859. But the agent was not permitted to make loans of money in a banking way.²⁴ Grants could be extended only to those who had deposited treasure for shipment in the San Francisco Mint or the San Francisco Refinery. The services which it did render constituted four in number and were those practiced by all the banking companies which followed. The bullion-producing mines had opened accounts. Their men were paid with gold coin, as a rule, which Wells, Fargo & Company brought from San Francisco by stage. Second, it received deposits to be handled in the normal way. Third, it sold exchange to all parties. Fourth, it discounted the drafts of the mining companies and mills that had good reputations.

A year later, J. W. Statler and N. O. Arrington formed a partnership under their two names to carry on banking. Despite the Jessie James rate of 10 per cent per month on all loans, which existed for a period in the beginning, the firm obtained the most active of all the accounts on the Lode—the Gould & Curry Mining Company.

Other firms came in rapid succession: Paxton & Thornburg in 1862, (Howard & Sanchez in Aurora, Esmeralda County); Arnold & Blauvelt in early '63 and B. F. Hastings & Company in the spring of the same year. Gold Hill had two firms; one founded by H. G. Maynard early in 1862, that by the end of the year with the addition of J. W. Flood became Flood & Maynard, which after 1872, became Graves, Maynard & Company; and Almarin B. Paul & Company in 1862 and 1863. In the same years, moreover, E. Ruhling & Co. conducted its business as assayers and bankers and soon added another member, H. V. S. McCullaugh. However, a little later, these added banking services were discontinued. Austin, Nevada, a notable mining camp many miles east of the Comstock, in 1863 and 1864, also had a branch of the Paxton and Thornburgh firm.

Not all of the firms charged 10% per month even on unpaid loans but attempted to undercut each other until "protection of the race" by an association meeting in July 1863

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settled the rate at 5% per month, which was supposed to be liberal. Supposing some mill man could not reduce his loan or pay much interest during the year! The only exception to this 5% rate on all loans and discounts was a contract between the Mexican Mining Company and Wells, Fargo & Company which had been let by the latter's new agent, James H. Latham. This particular agreement concerned coin advances which the Comstock companies were in the habit of using for mid-month operations.

The bullion rate of discount was calculated from three factors: the Wells, Fargo & Company rate for transferring the bullion to San Francisco; the cost at the San Francisco Refinery for separating the silver from the gold; and the value of the metal in the San Francisco market. This last figure was largely determined by the demand from the London bankers and the Old Lady of Threadneedle Street. As had been the case for centuries, the silver sink in India was absorbing that metal constantly. India, for so long under the direction of the East India Company, the most remarkable capitalistic organization ever in existence, was after 1857 a state governed in an entirely different mode. For the payment of accounts and general use throughout the country, silver was in demand. In these years Nevada supplied it. England would call again two generations later for American silver to go to this ever-consuming area. The other factor determining the San Francisco market rate was the charge of shipping the coin from San Francisco to the mines in Nevada. The express charge on bullion was composed of two items, a value figure determined by the fineness of the bullion and a simple weight fee. "The profit of the bankers consisted not in discounting the drafts that were drawn on San Francisco by all operating mining companies and others but in receiving coin in exchange for drafts, bills of exchange and checks sold by all the banks at par. The receipt of this coin reduced the amount upon which they had to pay the express company for bringing coin from San Francisco.

Ralston was in close association with the Comstock Lode by being the treasurer of all the important mines up to the year 1864. After that year his interest became personal and administrative.

Ralston had had good relations in banking in Virginia since

he had first been connected with it. Had not the episode involving Statler & Arrington occurred, he might not for some time have decided to put the agency on the Lode. On a series of banking practices, the event took place. It was the custom in San Francisco banking circles to allow overdrafts for short periods. These papers are, of course, nothing but loans—sometimes, too often so—unsecured. They were in the mining world given generally at the first part of each month. To bring coin from San Francisco to Nevada took at least three days. Since Wells, Fargo & Company had a large certificate of deposit account at its own bank in Virginia, it made a practice of honoring the Statler & Arrington drafts on the Bank of California for coin less the express bullion rate of \$1.12½ on \$100.00. Moreover, the Virginia partnership had most of the time paid its overdrafts promptly by use of draft remittances drawn on the mining companies which were usually California concerns with head offices and deposit accounts in San Francisco. Unfortunately for the partnership, the intemperance of Arrington and the dominating influence of the "unscrupulous" Statler began to show in the early summer and although the firm was practically solvent, it "failed." What Statler did was to draw two drafts some three days apart, earlier than usual, on the Bank of California. The latter's refusal to pay the second one caused the bill to be sent to protest. In the meantime Statler had sought industriously to pay his depositors with the vault funds. The two unpaid depositors were the Bank of California for \$30,000.00 and Wells, Fargo & Company for \$20,000.00. Wells, Fargo & Company, being on the Comstock, got to the wreck first and picked over the property deeds, promissory notes, mortgages, and security folio. William Sharon, skilled in real estate paper, when he arrived, took second pickings rather well so that not all was lost. The banks did not sue because mining litigation in the Territory had the courts' calendar cluttered beyond early redress.

With the condition in the mills and mines as it was, the banking trouble settled Ralston's desire to connect directly with the Comstock by means of an agency. The directors of the Bank were not too well disposed to continue relations on the Comstock, for out of some forty mines operating there was a dividend record of only twelve. Some of these twelve

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had assessments against them which counteracted what divi-
 dends had been paid. Darius Ogden Mills was opposed to
 any further work and did not cease his opposition until Rals-
 ton again pledged personal liability. The magnitude of loom-
 ing forces was too much for Mills' cistern-like mind: many
 things went into it, few came out unaided. If the venture
 turned out well, he would gain. He liked to have money
 made for him. If he failed, he had had his *say*, nor would
 he lose. Darius Ogden Mills was supposed to be farsighted,
 and an amazingly successful speculator. A scrutiny of that
 man's life in California shows up the fiction. What is more
 truthful is that he possessed cleverness, he knew on whom to
 step, how long to stay there, and how to get off with the prize.

Ralston's original intention was to send a man whom he
 understood and who in turn understood him. Ralston's logi-
 cal choice was the seasoned Tibbey. Edney Stagg Tibbey,
 an Australian, born February 13, 1835, came to San Fran-
 cisco on the ship *Montreal* from Honolulu, the main city of
 the Sandwich Islands.²⁵ Arriving in 1849, this young boy
 worked for a short time in a lumber yard, but soon became
 messenger boy and then a clerk in the leading banking house
 of the period, Page, Bacon & Company. This was in the
 years 1852-1854. When the depression yanked that concern
 into undeserved failure, he secured a clerkship with Vander-
 bilt's relative, W. L. Chrisler, who was the early purveyor
 of the Nicaragua Transit Company. In this job he came to
 know Ralston. Garrison he had known earlier, by being in
 the services of Page, Bacon & Company. Tibbey went to
 work "for Ralston in May 1856," only a few months after
 the firm of Garrison, Morgan, Fretz & Ralston began its
 banking business. At each change of the banking firm Tibbey
 stayed with it as an accountant and bookkeeper. After the
 formation of the Bank of California, he continued as an ac-
 countant and note teller. When the suggestion for the agency
 in Virginia was made, "Ralston presented the matter to the
 board of trustees" and Tibbey went so far as to have his "life
 policy transferred up there." Yet he was not selected because
 of personal pressure from Ralston's father-in-law, J. D. Fry.
 Fry more than advocated Sharon for the post.

William Sharon was born January 9, 1821, in the town of
 Smithfield, Jefferson County, Ohio,²⁶ a mere village eighteen

miles from the romantic and renowned Steubenville. Sharon's people were Quakers of good stock who had settled in Pennsylvania and then migrated to Ohio. Sharon's boyhood was not particularly eventful. He obtained what benefits the village school could give. He aided in the work of farming until he, too, could not resist the call of the Ohio and the Mississippi steamboats! His first venture was to take his savings and to purchase a part interest in a flatboat and its cargo and sail for New Orleans. He and his group were as unfortunate as Ralston's father had been, for in passing the falls near Louisville, they were wrecked. Most of the cargo was lost and the salvaged portion was barely a recompense for the danger and expended effort. Misfortune befell him too. In New Orleans his partners fleeced him in his ignorance, so that when at the age of seventeen he returned home the big, wide world did not seem so handsome. But he was wiser, worldly wise, and he had determination.

After three more years of effort on the homestead, his father gave him an interest in it. With additional aid, he entered Athens College but remained there for only three years because of family reverses. His study had had a legal flavor and at nights he pursued it after the daily labors. In 1843, he accomplished an ambition by entering the law office of a strong character, Edwin M. Stanton, whose antics later in pseudo-statesmanship were to embarrass Lincoln and help to crucify Johnston. Sharon's frailty and ill health made him abandon this barely started relationship. He was sent to St. Louis for improvement, during which he continued his study of law under the guidance of the Honorable Edward Bates of that city. When ten months later Sharon passed the bar examinations of Judge Krum, he was admitted to Missouri practice. His health did not improve, however, which forced him to give up his early life's ambition. In disappointment he went to live with his brother, the Dr. John K. Sharon of Carrollton, Illinois. The sons of the doctor were running a family-owned merchandise establishment while their father kept up his practice. For about four years Sharon dabbled as his strength allowed; his brother took him in as a partner in that business.

While in Carrollton he met one of his brother's associates, Colonel John D. Fry.²⁷ Sharon and Fry formed an attach-

ment for each other. Sharon was a Quaker, having been born in 1815, 1819. When he was a young man, he was a lieutenant general, and he was the sheriff of Adams County, Illinois. He served a term in the Illinois State Prison on the completion of his term as a deputy sheriff. He was never married. His uncle's rank was a courtesy of the Illinois Legislature following his participation in the politics of the state for two years older than he. He was a distance of some 100 miles in his early years. In a great many

These two men were in Missouri, on a journey of privations and some journey, in the month of August in the year 1843, a partnership in the business of groceries. Sharon was much of a river trader on the River; when the river was at the bottom. Two years later, winding up with the same, they solved their partnership in 1850. Sharon was alone, but gave up the appointment of a partner for the Pacific. Sharon was in 1860, in the mining and mill

William Sharon remained there until the remainder of his life. He was a partner in the firm of McVicar until the death of Miller, a Kenton

Steubenville. Sharon's had settled in Pennsylvania. Sharon's boyhood was what benefits the village of the work of farming of the Ohio and the future was to take his in a flatboat and its and his group were as on, for in passing the. Most of the cargo barely a recompense. Misfortune befell him and he was in his ignorance he returned home handsome. But he was a nation.

At the homestead, his with additional aid, he there for only three study had had a legal the daily labors. In entering the law office on, whose antics later pass Lincoln and help and ill health made him

He was sent to St. Louis. He continued his study. Dr. Edward Bates Sharon passed the bar and admitted to Missouri. However, which forced. In disappointment. John K. Sharon of doctor were running a it while their father years Sharon dabbled with him in as a partner

Sharon's brother's associates, they formed an attach-

ment for each other at once. The latter was a native of Kentucky, having been born in Ghent, Carroll County, on July 15, 1819. When he was sixteen his uncle, Jacob Fry, an adjutant general, deputed him as an under sheriff of Green County, Illinois. At the age of twenty-one, he was elected the sheriff. This taste for politics led him to seek office for a term in the Illinois State Legislature; he found his way in on the completion of his term as sheriff. It was while he was a deputy sheriff that he received the nickname of Colonel. He was never in the army or state militia; more because of his uncle's rank than his own youth, Fry was accorded the courtesy of the pseudo-rank. After a second term in the Legislature following an interval of perverse politics, he gave up politics in the midst of the California gold rush. Fry was two years older than Sharon. Though absent in Springfield, a distance of some fifty miles, he was Sharon's ally not only in his early years in Carrollton, but also later in the West. In a great many respects Fry was Sharon's closest associate.

These two men with a company of others left St. Joseph, Missouri, on May 1, 1849 for California; despite the usual privations and dangers which all pioneers met in their wearisome journey, they arrived safely in Sacramento on the 2nd of August in the same year. Sharon and Fry at once formed a partnership and started a store selling merchandise and groceries. Sacramento was at that early period not even much of a river town, as it lay on the flats of the Sacramento River; when the latter got rampant, the town went to the bottom. Two floods in successive years caused their failure. Winding up what affairs of the concern were left, they dissolved their partnership and Sharon went to San Francisco late in 1850. Fry attempted to carry on a fitful business alone, but gave it up three years later when he received the appointment of special agent of the Post Office Department for the Pacific Coast in 1854. Fry resigned office after six years; in 1860 Ralston interested him and placed him in the mining and milling field.

William Sharon speculated in real estate with what small remainder there was left him from the Sacramento partnership. He was in close relation as a sales agent with John McVicar until 1854, although his partner was Dr. Beverly Miller, a Kentuckian, who a few years later died in Panama

en route from California home. His next business relations in buying and selling land were with R. P. Clement and Martin White for over five years. He remained in this business for fourteen years, ending with a fortune estimated to be \$150,000.00.

Sharon's last partnership, in stocks, proved disastrous to his real estate fortunes. His last partner, Charles Henry Wakelee, and he, had, like many others, lost heavily in the stock market, which caused the firm's failure and left them nearly penniless. It was at this juncture that the proposal came to Sharon to go to Virginia on a definite task. He had been there before as has others—disinterested until a stockholder. His interest took definite shape in immediate gain and more sudden failure by losses in the boom of 1863.

When Wakelee found out that Tibbey was about to be chosen, he and Colonel Fry loaned Sharon the \$15,000.00 required as bond for the office. Fry, of course, was the main intermediary between Sharon and Ralston, and in the end won his point. Wakelee went back to real estate and Sharon entered banking, which was entirely new to him.

Ralston was not eager for Sharon's appointment: first, because he knew Tibbey well; and second, because of Sharon's recent stock failure. Ralston did not doubt Sharon's ability in city real estate nor did he ever have reason to question that *per se*. He was skeptical of the ability of his casual acquaintance to judge stocks, and he had reason to do so. Even so, Ralston soon went into partnership with him "on all stock transactions in San Francisco pertaining to real estate or stocks." Tibbey states further: "these articles of partnership I knew were in existence because I copied them myself. I saw Ralston put his in an envelope and seal it up and mark the envelope 'contract of William Sharon to be delivered to W. C. Ralston only.'"

A partnership is an institution so old that no date can ever be set for its inception. Examination of a host of enduring partnerships reveals the essential for their success and harmony: the simplest but grandest of human traits—*trusting faith*. As to business, no form of organization has ever been devised in which the intimacy of personal relationships is deep enough for all occasions. Common, civil, and statute laws have all recognized dilemmas hatched from this heart-

next business relations R. P. Clement and remained in this business fortune estimated to

proved disastrous to her, Charles Henry, lost heavily in the failure and left them that the proposal finite task. He had rested until a stock-boom in immediate gain of 1863.

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that no date can ever of a host of enduring their success and human traits—*trusting* zation has ever been onal relationships is on, civil, and statute ned from this heart-

close unity. Charles Dickens wrote, "true love never doubts." Yet partnership must have healthful doubts. When suspicion and evil tamper with that precious fabric-house of trust, the aurora-borealic burst of broken faith blazons the commercial horizon; partnerships are legal nitroglycerin. Such was the case centuries ago, such was the case for Ralston and Sharon, such is the case today. When men embark in partnership, they ought to be doubly sure.

Ralston, however, had one other precaution even after he had sealed his agreement with Sharon. He had requested his brother to go to Virginia as Sharon's assistant, to be the cashier of the Agency. James Alpheus Ralston, who had come to San Francisco after Keokuk disappointments, agreed to the proposition. But this brotherly aid was to last for two years only: James died on August 25, 1866 from stomach disorder. The *Territorial Enterprise* commented that "... he was a native of Ohio, age 32 years" and that "... his correct business habits, gentlemanly deportment and general affability had endeared him to a large circle of friends."²⁸ With his continued aid Ralston might have steered clear of many snags. Snags, I say, as treacherous as those which waited for the steamboats of the Mississippi, waited and then let the water gurgle over them in its muddy, slowly moving way. Here, then, was a man who would gain prominence and great wealth because of Ralston's efforts in the years to come. In the same light Ralston would elevate many more by aid in substantial form. Fry would gain along with friend Sharon. Would either repay Ralston dead or alive?

As soon as Sharon and James Alpheus had the accounts of Statler and Arrington more in command, the former set to work to prove himself and to establish firmly on the Lode not only the Bank but himself likewise. Sharon did not become connected with the Virginia Bankers' Association, so that the 5% per month combine on securities and loans in any form did not operate against him. One of the most elementary tactics to be applied by one competitor against another is the fixation of lower rates on the market for the product in question, whether it be material or intangible. The situation in Virginia was a supreme example of an artificial barrier raised so high as to invite competition by an outsider. Four or 5% rates and variations of them were higher than they

needed to have been, even though the firms were small in size. These rates, when thought of in terms of a yearly payment, by no means uncommon, were so prohibitive that any form of lower one was welcome. Sharon received his basic instructions for operating the Agency from Ralston, yet he exercised his own judgment as well. Sharon lost no time in capitalizing on the banking conditions. The 5% firms had to compete with a 2% rate at once, and as they struggled to meet this new competition, they became as wall flowers at a college dance when fair co-eds flounce past. By the failure and withdrawal of some of the five banks in Virginia and three in Gold Hill and by the absorption of the two best established, Sharon secured the Bank of California a firm basis upon which to begin. Arnold and Blauvelt of Virginia was absorbed and the junior partner, W. H. Blauvelt, was taken as assistant cashier. When, on May 1, 1865, the agency was established in Gold Hill, Blauvelt became the cashier in charge. Blauvelt had been in Mills' bank in Sacramento before coming to Virginia. Moreover, Sharon made arrangements to open the agency in the old building which had belonged formerly to Taylor and Blauvelt on the corner of Taylor and C Streets, and there it remained for the rest of its existence. In Gold Hill, Sharon made arrangements with Almarin B. Paul & Company to lease its buildings for the use of the Gold Hill Agency. In 1879, the Bank of California withdrew its services in Gold Hill because of lack of need and combined them with the Virginia branch. The first step in securing control of the Comstock was accomplished. It was the entering wedge that would lead to the creation of a powerful support upon which Ralston could lean.

In San Francisco, the main stock control had been obtained by Ralston's powerful engineering. His main stock broker and operator was Lovell White, a New Hampshire man. Other brokers aided him in his many open and large orders of buying and selling.

The second element in getting a larger portion of Comstock control was to buy outstanding stock of any mine which indicated promise of a future. Investors, such as they were, and rampant speculators after a series of assessments or levies, either withdrew all trading in the *borascas* or else

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sold most of their mementos of the occasion. In fact, these *Irish dividends* came "fast and with a wallop" that many could not meet. The stockholders were forced to sell. One of the most notorious of the Comstock was the Best & Belcher which yielded nothing but \$1,444,000.00 in assessments! As is to be expected, many companies which were formed met disaster at the start. But many were fly-by-nights with no thought on the part of their originators of doing legitimate business in mining. These people advanced our civilization one beautiful step farther—they didn't try the Indian trick of scalping. It wasn't bloody enough! They just *skinned* their catch. Of course, it was not with the technological, priestly skill that their descendants practiced under the auspices of twelve years of Republican prosperity, epitomized by a Northampton vacuum and an even lesser satellite. The stocks listed on the various boards in Nevada and the two main ones in San Francisco were by no means the indicators of all the existing companies. Individual enterprises, partnerships, and unlisted companies existed, took loans and paid interest and until their failure tried to meet their capital outlays too. The saying of the western gold fields was indeed apt: "it took two dollars for every one mined."

The Bank of California's unheard of 2% rate per month on loans not only took away business from the established Virginia firms, but also caused the mill men to compete for loans from the Agency. The mill men charged good rates for reducing the ore; at the new low rate, which was in itself high, the owners could meet their debts more easily. Arrearages confronted the mills' management the instant idle capacity developed for want of ore. Despite the fact that in 1866 and 1867 more gold and silver were produced, with the exception of 1864, than in previous years, some mills had trouble in getting sufficient ore to operate on profitably. They consequently changed hands. Some of these came into the hands of the Bank of California. The Swansea Mill in Gold Canyon, Lyon County, was the first mill to become the Agency's property. It was erected in 1862, at a cost of \$45,000.00. It had 40 stamps operated by steam. The acquisition took place in May 1866, and within another year the Bank owned eight more mills. Low grade ores or no ore at all caused some men to assign their property to the Bank

rather than to have to meet accumulating debts. The years 1868, 1869, and 1870 gave continual headaches to many, for they lost their mills or sold them at sums pitiable when compared with their cost. Alpheus Bull, a trustee of a mill in the White Pine district, stated that he had a \$200,000.00 piece of property pass from his hands for \$5,000.00. Sharon stated too that he had to sell a mill on the Comstock for \$2,000.00 that had cost him \$60,000.00. "No property deteriorates more rapidly in value than mill property when in disuse. The expense of a watchman and the accumulating taxes and insurance dues must be paid. The heavy machinery, the pans, shoes and dies require constant attention to keep them in good order; for if left without care they will rapidly rust and become unserviceable. The very framework of the mill, even, being frequently made of poorly seasoned or unfit stuff, will crack and warp if neglected, so that in a short time it must be extensively repaired and replaced."²⁹

A fact not to be forgotten is that Sharon's knowledge of mining *per se* was similar to the innocence of one of Chauncy M. Depew's railroad superintendents who was called before the board of directors for not putting on more trains and cars on a suburban business line. When asked point blank why he didn't, he replied, "Why, Mr. Depew, what would be the use? They are settling so fast along the line that the people would fill them up and overcrowd them just as before." The truth about the beginning years of the Comstock is that too many experimented without any knowledge. Sharon, however, was shrewd and clever. He sized up many situations correctly, gained profit, power, and reputation. By 1866, he had control of the Chollar, the Potosi, the Yellow Jacket and the Crown Point. These with Ralston's aid and the ownership of the Kentuck in that year were a series of bonanzas.³⁰ During the seven years of productive exploitation of this mine, 138,094 tons of ore were extracted which yielded a value of \$4,502,000.00; \$1,252,000.00 in dividends and \$337,000.00 in assessments. The last dividend came in 1870, although the mine was worked three years more. Control of the Chollar followed, and then the Yellow Jacket, whose ore in the early part of 1865 and 1866, was thought to be giving out. But the main prize was to come later.

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ords and the costliness of the mill operations caused some of the directors to be pensive. Mining stocks as securities for loans were not too sound. Discussion arose. Ralston did not prolong it; for in June of 1867, the Union Mill & Mining Company was formed to acquire all the mill and mining property that the Bank of California possessed. The certificate of incorporation was issued to the group March 28, 1868, for a period of fifty years.³¹ It had 15,000 shares outstanding with a par of \$100.00. Its three trustees were listed as William E. Barron, Thomas Bell and Thomas Sunderland. The share holders and originators were Ralston, Mills, Sharon, Bell, Sunderland, Barron, Charles Bonner, and Alvinza Hayward. This group was composed of men from San Francisco and mine superintendents from the Comstock. The objective of the company was to operate the mills as well as the mines which were profitable, and this was done. Soon, however, the purposes of the company broadened, for it began to control other mines. Yet it was not until its charter was amended on November 17, 1871, that it could deal in shares and stocks and other securities of companies.³² It was by this power, that it exercised holding company rights. Sharon had taken control of many mills during the two years before the Union Mill & Mining Company was formed.

Ralston and his group, almost at the establishment of the Agency, had been called "the Bank Ring" and were accused of any and all things. It is likely that any company with a capital of \$1,500,000.00, which controlled important and strategical assets, would come within range of criticism whether or not grounds for such existed. In short order the Union Mill & Mining Company gained control of almost all the important mills on the Comstock.³³ In Lyon County by 1870, the Union Mill & Mining Company had valuable property. On the Carson River, it owned the Eureka & Franklin quartz mills. The former was built in 1861, at a cost of \$65,000.00 for silver; it had twenty stamps, the power for which was supplied by water. The Franklin, which cost \$35,000.00 was a ten stamp mill built in 1861, also for silver and operated by steam.

In Dayton it owned the Illinois, a fifteen stamp, \$35,000.00 steam operated mill built in 1864.

In Cedar Ravine it owned the Sacramento, a fifteen stamp,

steam operated, \$35,000.00 mill built in 1861; and the twenty stamp Swansea, the first mill that came under the Bank of California's control.

In Silver City it owned the Kelsey No. 1, which had ten stamps for silver ore and cost \$35,000.00.

In Ormsby County there were four mills under its ownership, one of which was large. This was the Mexican, with forty-four stamps, built in 1861, at a cost of \$100,000.00 for silver ore, located in Empire City. The Merrimac and Santiago, twenty and twenty-four stamp respectively, were both constructed for silver ore in 1861, at a cost of over \$130,000.00. The Brunswick was a small ore mill of sixteen stamps for silver ore and was constructed in 1864, at a \$50,000.00 cost. All three mills were in Carson City and were operated by the river.

In Storey County the Union Mill & Mining Company had four also. One was in Gold Hill, the Sunderland with but ten stamps costing \$25,000.00 but operated by steam. The other three were in Virginia: the Atlantic built in 1863, had sixteen stamps; the Land's with twenty stamps, cost \$60,000.00; and the Winfield with eighteen stamps cost \$80,000.00. All were built for silver ore and steam operated.

The last county in which the company had holdings was Washoe. In Pleasant Valley it owned the Temelic which cost \$75,000.00 in 1862, and had but fifteen stamps. In Washoe City, the New York was owned; it had been built in 1865, for \$100,000.00 and had twenty-four stamps. Both handled silver ore and used steam, although the Temelic used water power too.

The Bank of California still had its holding in Aurora in 1870: the Real Del Monte had but thirty stamps yet cost \$225,000.00, and the Antelope twenty stamps and cost \$125,000.00. The former was built in 1864, and the latter in 1863. The Old Antelope and Star & Tucker's were eight and ten stamps respectively, built, in '62 and '63, at a cost of \$30,000.00 and \$40,000.00. All were for silver ore and all used steam. Almost the entire source of Ralston's support from Nevada came from the Comstock Lode. These other mining camps in their productive years felt the encircling pressure of the Bank of California's monopolistic control.

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Franktown, Washoe County. It had sixty stamps, cost
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ones were but two stamps each: Canty's in Cape District,
Elko County; Eaton & Johnson's in Columbus, Esmeralda
County; Winters & Robedee's on the Carson River and Rich-
ard Schweiss' in Gold Hill. The majority of mills were of
ten to twenty stamp capacity.

The cries arose against the company in its acquisitions that
it had followed a "piratical policy of gutting the mines."
The connection here was that ores had been extracted in
larger amounts than could be milled adequately and this in
turn kept stockholders and speculators yapping for more mill
capacity. The question of surplus mills was one of the most
pressing on the Lode. There seemed to be more mills or
mill capacity—always—than the ore production or judgment
of the management of the mine justified. Altogether there
were by October, 1870, 156 mills and 2,164 stamps in
operation. The deficit in the number of mills was more than
made up for by the constant increase in stamp capacity by
some of the custom mills. What was needed in the mining
world at that time was more mechanical efficiency for each
battery of stamps utilized. The duty of the stamp at this
period was from one to three tons in a day's work, which was
one reason for costliness. In fact, too many superintendents
were interested in "outside activities" to care for fundamen-
tals. Stamp duty was not increased with any material or
startling record for nearly a generation later. It was not
until W. J. Loring reported his success in practical experi-
mentation in the Stickle Mill of sixty stamps, which was the
property along with the Madison and Utica Mills of the
Utica Company in Angels Camp, Calaveras County, Cali-
fornia.³⁴ He had, in 1895, and for some two years cut down
waste motion, used duplicate camshafts which reduced chang-
ing time from forty-eight to three hours, used manganese
steel and kept constant check on many other mechanical de-
tails in the amalgamation process. By such care and exercise
of knowledge, the duty of the stamp was increased from
three and one-half to five and one-quarter tons in twenty-four
hours. Nothing had rivaled this particular before, yet one
is not to assume that there were no successful mill men before
his work.

After the mill's capacity had been increased and expenses incurred, it was possible to withhold ore from them, although they competed madly for it. In some cases there was actual exhaustion of the mines, the good ore bodies had petered out; in many cases the mills were fed with such fantastic science as to amount to pungent robbery, so that the mills failed and were brought under new ownership. The Union Mill & Mining Company was accused of doing this; it probably did it. If it set an example, there was an avalanche of eager followers from that time on.

But that was not all. Private concessions fell silently now and then into large waiting pockets.³⁵ A mill man had to vie for the superintendent's favor, if ore was to come to his mill. Good ore was dribbled into poor ore while the contract read "high grade" and was found not only in the refining, but the rate stayed put. When large stockholders and superintendents really became interested, the commissions had to get larger. Similar directorates or friendly managements of both mine and mill allowed fat private profits. One writer estimates these sums of dignified stealing to be but \$2,000,000.00. Yet the Bonanza Firm represented by Fair, Mackay, Flood and O'Brien eased \$9,070,728.00 from milling contracts on 1,500,000 tons of fairly rich ore and tailings so openly that it smacked of honesty. These men's actions, mitigated only by finesse, brought a tirade of criticism against them. Neither Sharon nor John P. Jones and their proteges wished to be outshone on records, so they nudged out \$10,000,000.00. Private profits on the Comstock! Controlling companies, controlling managements—yet dividends were disbursed and liberally.

To supply the fuel which was wood, all seasons, there had developed in Virginia a supply train that has as yet not been equalled. Eight, ten, twelve and sixteen animals to a train trudged mercilessly and long from the Sierras up and down and up again to Virginia and to all the scattered mills of its environs. When freezing weather came and the roads and water ways were blocked many of these scattered mills had to close. Moreover, haulage was expensive.

In addition, the hauling of the ore from Virginia to San Francisco which was to be sent abroad to Swansea, Wales for almost perfect refinement and the carrying of bullion took

time and money in terms of desirable and mule power. It did much except on their rollicking pleated horses. The Western almost since 1848 constructed eastward Sierras.

As to actual ores to water, during territorial a series of causes of funds, is singular indeed of which failed as the "Virgin". The second was November 2, 1860, ever, on March provisions laid provided a change traffic in Eagle Counties would share. The Di William Sharon derland, W. E. Fry and D. O. 000.00 from O. County were re an issuance of 1

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